



## **Austin City Council MINUTES**

**For** JUNE 15, 1989 - SPECIAL CALLED MEETING - 9:30 A.M.  
FIRST FLOOR ASSEMBLY ROOM - TOWN LAKE CENTER

Council Chambers, 307 West Second Street, Austin, Texas

Mayor Pro Tem Shipman called to order the special called meeting of the Council, noting the absence of Councilmember Barnstone, Mayor Cooke and Councilmember Urdy, who arrived later, at 10:15, 10:32 and 11:30 A.M. respectively.

Mayor Pro Tem Shipman announced the purpose of the meeting was to discuss and receive information concerning 1989-90 Key Budget Decisions. A copy is on file in the City Clerk's office.

Barney Knight, City Attorney, discussed a general wage increase and projected what it would cost the City for a wage increase in the 1-5% range. Health insurance was another topic discussed with comments on FLEXTRA and the use of Brackenridge as a preferred provider. Mr. Knight said that "most significant today are the retiree health benefits and this issue is most critical in this budget". Mr. Knight went on to say the City must take care not to vest retirees in a health package as this could cost the City \$6-37 million, depending on the program adopted. Mr. Knight said he was referring to newly hired employees. He said more work would be done on this and the suggestions will be brought back to Council. Mayor Pro Tem Shipman asked that this be presented to the Retirement Board. Mr. Knight said it would be presented when there is better information.

Joe Canales, Director, Human Resources Department, discussed the compensation and benefits package, adjustment of entry rates, wage adjustment, and the recommendation of a \$500.00 CAP on stability pay after seven years of employment and other items in Key Budget Decisions.

Councilmember Humphrey questioned the authorization of Brackenridge by Pru-Care. Tom Young, Administrator, Brackenridge Hospital, said Brackenridge is the second largest hospital for Pru-Care in specialized fields but they can find a way to coordinate Pru-Care and Brackenridge for more things.

Mayor Cooke asked where the money will come from for wage increases. City Manager Barnett said the department budgets do not include pay raises, so the money will come from cuts in department budgets.

Councilmember Humphrey said he thought discussion should be concerned with revenue caps and then they can talk about the programs. Mayor Cooke said they could defer the discussion of wage and salary until after rates have been discussed and decided upon. Mayor Cooke

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said there may be a need for a general wage increase and said some jobs may need a pay increase more than others. Mayor Cooke said they need to look very carefully at the benefits package offered to the employees and the working conditions of the employees.

John Moore, Director of Electric Utility, discussed rate increases, as outlined in the Key Budget Decisions.

Mayor Pro Tem Shipman stated she understands debt and maintenance but she wants more information before she can support a tax increase. Discussion followed concerning as to what increase in electric utilities should be. Mayor Cooke said there should be three options for staff to look at 6.3%, no increase, or minimum increase.

John Moore said perhaps this is a good time to raise utility rates higher than they need to be and then have no raises for 2-3 years. Mayor Cooke said he had been looking at not having a rate increase for 2-3 years, but he said if there is an increase it should be minimum.

Councilmember Urdy said he would rather not set an arbitrary goal but wants to look at a separate rate for the next three years.

#### Motion

The Council, on Councilmember Urdy's motion, Councilmember Carl-Mitchell's second, voted to look at a minimum rate increase but also look at the rate increases needed for the next three years. (4-3 Vote, Mayor Pro Tem Shipman, Councilmembers Barnstone and Humphrey voted No.)

#### ADJOURNMENT

Council adjourned its special called meeting at 12:00 Noon.